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SIPDIS

STATE PASS ISN/MNSA - DAVIS, RAY, ADAMS
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SUBJECT: Philippine Nuclear Plans

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¶1. Summary: The Philippines is considering rehabilitating a
never-used nuclear plant built in the 1980s, and recently entered
into an agreement with the Korean Electric Power Corporation to
study the feasibility of operating that plant. End summary.

¶2. Westinghouse completed a nuclear power plant in Bataan Province
in 1986 which was never put into operation after the government
changed. Although there were allegations of financial
irregularities and safety deficiencies at the time, it is not clear
that the decision not to open the plant was based on anything other
than politics. Twenty years later, in May 2008, the International
Atomic Energy Agency recommended the Philippines study the use of
nuclear energy as a power generation option and the feasibility of
putting the unused Bataan Nuclear Power Plant into operation.

¶3. On December 23, 2008, the Philippine National Power Corporation
(Napocor) signed a memorandum of understanding with the Korea
Electric Power Corporation to conduct studies on the potential of
the Bataan Nuclear Power Plant. Napocor has emphasized that the
memorandum of understanding is not a commitment to operate the
plant, but merely for a study of the feasibility of operating the
plant.
¶4. The Philippines wants to keep its nuclear energy options open
and reduce the government's role in power generation. Current
legislation seeks to privatize the power generation sector and
prohibits the government from investing in new power generating
facilities.
¶5. The Philippine Nuclear Research Institute is tasked to promote
and control nuclear materials in power generation, agriculture,
medicine, and other fields. The Institute's Director is Alumanda
Dela Rosa. Other contacts for nuclear energy include Department of
Energy Undersecretary Ramon Allan V. Oca; Department of Energy
Policy Formulation & Research Division Chief Salvador Salire, Jr.;
National Power Corporation Senior Vice President Pio Benavidez; and
National Power Corporation Manager for Asset Preservation Mauro
Marcelo, Jr.

¶6. Legislation has been drafted to establish an independent nuclear
regulatory body. Under the draft, this regulatory body will have
quasi-judicial functions, and will be directly under the Office of
the President of the Philippines.
¶7. The Philippines is party to most international agreements related
to nuclear energy and has signed (but not ratified) the following:
Convention on Nuclear Safety; Joint Convention on Safety of Spent
Fuel Management and on the Safety of Radioactive Waste; Joint
Protocol Relating to the Application of the Vienna Convention and
the Paris Convention; Protocol to Amend the Vienna Convention on
Civil Liability for Nuclear Damage; Convention on Supplementary
Compensation for Nuclear Damage; Nuclear Proliferation Technology
Safeguard Agreement; Amendment to the Convention on Physical
Protection of Nuclear Material; Convention on Early Notification of
a Nuclear Accident; and the Convention on Assistance in the Case of
a Nuclear Accident or Radiological Emergency. The Philippines is a
signatory to the Southeast Asia Nuclear Weapons Free Zone Treaty.
¶8. The Department of Energy wants to improve the skills of its

people to facilitate using nuclear power as a long-term energy option. At present, there are about a hundred nuclear engineers in the Philippines, most trained by Westinghouse and the EBASCO Overseas Corporation in the early 1980s, in anticipation of opening the Bataan Nuclear Power Plant.

¶9. It is unclear that any opportunities exist for U.S. industry until the Korean Electric Power Corporation study is finished.

Kenney